

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re:	X	
	:	Chapter 11
	:	
W.R. GRACE & CO., et al.,	:	Case No. 01-01139 (JKF)
	:	
Debtors.	:	(Jointly Administered)
	X	
		Hearing Date: 05/24/04 at 12:00 p.m.
		Objection Deadline: 05/14/04 at 4:00 p.m.

**RESPONSE OF STATE OF MONTANA DEPARTMENT OF ENVIRONMENTAL  
QUALITY TO DEBTORS' THIRD OMNIBUS OBJECTION TO CLAIMS (NON-  
SUBSTANTIVE) [DOCKET NO. 5450]**

State of Montana Department of Environmental Quality ("MDEQ"), by and through its undersigned counsel, hereby responds to the Debtors' Third Omnibus Objection to Claims (Non-Substantive) (the "Objection") and in support thereof states as follows:

**Background**

1. On April 22, 2002 (the "Petition Date"), each of the Debtors in these chapter 11 cases filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"), commencing their respective chapter 11 cases (collective, the "Chapter 11 Cases"). The Chapter 11 Cases have been consolidated for administrative purposes only and, pursuant to sections 1107(a) and 1108 of the Bankruptcy Code, the Debtors continue to operate their businesses and manage their properties as debtors in possession.

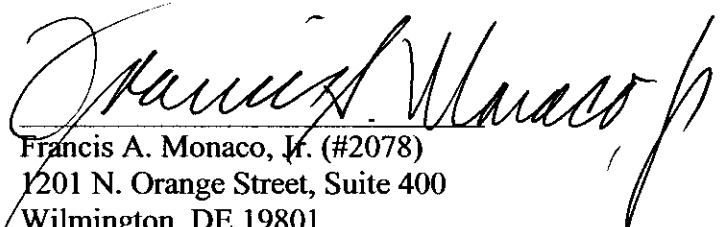
2. On or about April 14, 2004, the Debtors filed the Objection and objected to MDEQ's proof of claim number 6100 on the basis that it has been amended and superceded by proof of claim number 15296.

3. MDEQ actually filed four separate but identical proofs of claim against four separate Debtor entities asserting a secured claim of \$39,000 and an unsecured non-party claim of \$8,510,022.16 for environmental remediation costs because it is unclear which W.R. Grace Debtor entity is liable for this claim. Therefore, it is inappropriate to expunge proof of claim number 6100 unless or until the W.R. Grace Debtor entities are substantively consolidated.

WHEREFORE, the State of Montana Department of Environmental Quality respectfully requests that this Court overrule the Objection and grant such other and further relief as is just and proper.

April 27, 2004

**MONZACK AND MONACO, PA**

  
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